

**STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER**

In the Matter of

**ALLSTATE INDEMNITY
COMPANY; ALLSTATE
INSURANCE COMPANY;
ALLSTATE PROPERTY AND
CASUALTY INSURANCE
COMPANY.**

Authorized Insurer.

Order No. 15-0147

WAOIC No. 39

WAOIC No. 40

WAOIC No. 58726

NAIC No. 19240

NAIC No. 19232

NAIC No. 17230

**CONSENT ORDER
LEVYING A FINE**

This Consent Order Levying a Fine ("Order") is entered into by the Insurance Commissioner of the state of Washington ("Insurance Commissioner"), acting pursuant to the authority set forth in RCW 48.02.060, RCW 48.05.140 and RCW 48.05.185, and Allstate Indemnity Company, Allstate Insurance Company, and Allstate Property And Casualty Insurance Company ("Allstate" or "the Companies").

BASIS:

1. The Companies are authorized insurers domiciled in Northbrook, Illinois and duly authorized to engage in the business of insurance in the state of Washington.
2. A 2013 continuum action of the Companies that found that solicitation letters estimating a premium for an Allstate homeowners policy were sent to Washington homeowners. The letters did not identify which Allstate company would

issue the policy if the prospect applied for coverage. Such letters were sent by both the Allstate customer service department and Allstate agents.

3. The total number of consumers affected by these violations is unknown, as the Company does not keep records of advertisements sent by agents. Homeowner solicitation letters which had an incorrect Company name and/or no domicile address sent by the company and totaled 9,746 in 2012.

4. RCW 48.05.190(1) states that every insurer shall conduct business in its own legal name. By sending solicitation letters estimating a premium for an Allstate homeowners policy to Washington homeowners that did not identify which Allstate company would issue the policy if the prospect applied for coverage, the Allstate violated RCW 48.05.190(1).

5. RCW 48.30.050 states every advertisement of, by, or on behalf of an insurer, to set forth the full name of the insurer and the location of its home office, if any, in the United States (if an alien insurer). By sending solicitation letters estimating a premium for an Allstate homeowners policy to Washington homeowners that did not identify which Allstate company would issue the policy if the prospect applied for coverage, the Allstate violated RCW 48.30.050.

6. RCW 48.17.180 states an insurance producer or title insurance agent doing business under any name other than the insurance producer's or title insurance agent's legal name is required to register the name in accordance with chapter 19.80 RCW and notify the commissioner before using the assumed name. By using an unregistered trade name without registering the name and notifying the commissioner as required, an Allstate agent violated RCW 48.17.180.

7. RCW 48.05.280 states every insurer shall keep full and adequate accounts and records of its assets, obligations, transaction, and affairs. By failing to keep track of the number of the homeowner solicitation letters sent by Allstate agents, Allstate violated RCW 48.05.280.

8. WAC 284-30-670(5) states to assist the commissioner in identifying the legal name of the insurer, insurers' written communications to the commissioner in response to any investigation, inquiry, enforcement matter or examination must include the insurer's NAIC

code. By failing to specify the NAIC code or legal name of the responding company in its Continuum responses to the Insurance Commissioner's information requests, Allstate violated WAC 284-30-670(5).

9. RCW 48.05.140(1) provides that the Insurance Commissioner may refuse, suspend, or revoke an insurer's certificate of authority, in addition to other grounds therefor in this code, if the insurer fails to comply with any provision of this code other than those for violation of which refusal, suspension, or revocation is mandatory, or fails to comply with any proper order or regulation of the Insurance Commissioner.

10. RCW 48.05.185 provides that after hearing or with the consent of the insurer and in addition to or in lieu of the suspension, revocation, or refusal to renew any certificate of authority the Insurance Commissioner may levy a fine upon the insurer in an amount not less than two hundred fifty dollars and not more than ten thousand dollars.

CONSENT TO ORDER:

The Insurance Commissioner of the state of Washington and the Companies agree that the best interest of the public will be served by entering into this Order. NOW, THEREFORE, the Companies consent to the following in consideration of their desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle this matter in consideration of the Companies' payment of a fine, and upon such terms and conditions as are set forth below:

1. The Companies acknowledge their duty to comply fully with the applicable laws of the state of Washington.

2. The Companies consent to the entry of this Order, waive any and all hearing or other procedural rights, and further administrative or judicial challenges to this Order.

3. By agreement of the parties, the Insurance Commissioner will impose a fine of \$10,000 (Ten Thousand Dollars) to be paid by **July 17, 2015**.

4. The Companies understand and agree that any further failure to comply with the statutes and/or regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violations.

5. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Companies. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

EXECUTED this 13TH day of July, 2015.

ALLSTATE INDEMNITY COMPANY,
ALLSTATE INSURANCE COMPANY, and
ALLSTATE PROPERTY AND CASUALTY
INSURANCE COMPANY

By: 

Printed Name: KENNETH J GRAHAM JR

Printed Corporate Title: SR. REGIONAL MKTG MGR.

AGREED ORDER:

Pursuant to the foregoing factual Basis and Consent to Order, the Insurance Commissioner of the state of Washington hereby Orders as follows:

1. The Companies shall pay a fine in the amount of \$10,000 (Ten Thousand Dollars), receipt of which is hereby acknowledged by the Insurance Commissioner.

2. This Order and the violations set forth herein constitute admissible evidence that may be considered in any future action by the Insurance Commissioner involving the Companies. However, the facts of this Order, and any provision, finding or conclusion contained herein does not, and is not intended to, determine any factual or

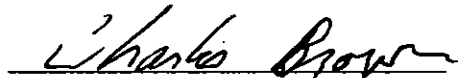
legal issue or have any preclusive or collateral estoppel effects in any lawsuit by any party other than the Insurance Commissioner.

ENTERED this 16th day of July, 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



Charles Brown
Senior Insurance Enforcement Specialist
Legal Affairs Division